

NATIONAL RAILWAY EQUIPMENT CO.



HOME OFFICE: 14400 S. ROBEY STREET · P. O. BOX 2270 · DIXMOOR, ILLINOIS 60426
TELEPHONE (708) 388-6002 · FAX (708) 388-2487

January 13, 2006

RECORDATION NO. 26124 FILED

JAN 17 '06

4-33 PM

SURFACE TRANSPORTATION BOARD



Hon. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423-0001

Attn: Equipment Recordation

To Whom It May Concern:

I have enclosed for recordation, pursuant to the provisions of 49 U.S.C. 11301, an original and one counterpart of the memorandum of lease agreement and the schedule of equipment for a locomotive lease agreement dated December 22, 2005, a primary document under the Board's recordation regulations.

The names and addresses of the parties to the enclosed document are as follows:

Lessor: National Railway Equipment Co.
P.O. Box 2270
Dixmoor, IL 60426

Lessee: Northshore Mining Company
10 Outer Drive
Silver Bay, Minnesota 55614

A description of the equipment covered by the Lease Agreement is as follows:

One EMD GP40-2 General Purpose Locomotive bearing road # NREX 3002

One EMD GP40-2 General Purpose Locomotive bearing road # NREX 3004

A short summary of the document to appear in the index is as follows:

"Locomotive Lease Agreement"

Also enclosed is a check in the amount of \$33 payable to the Surface Transportation Board to cover the required recordation fee for the attached agreement.

Please date stamp and return an original copy after recordation to:

Ethan Crooks
National Railway Equipment Co.
14400 South Robey Street
P.O. Box 2270
Dixmoor, IL 60426

Sincerely yours,

NATIONAL RAILWAY EQUIPMENT CO.

By: _____

A handwritten signature in black ink, appearing to be 'E. Crooks', written over a horizontal line.

Ethan Crooks

JAN 17 '06

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MEMORANDUM OF LEASE AGREEMENT

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE AGREEMENT is made and entered into as of December 22, 2005, by and between NATIONAL RAILWAY EQUIPMENT CO. ("Lessor"), and NORTHSHORE MINING COMPANY ("Lessee"), with reference to the following:

1. Lessor has agreed to lease to Lessee, and Lessee has agreed to lease from Lessor, Locomotive model(s) described herein.

Each locomotive is fully-described in a certain Lease Agreement dated as of December 22, 2005, (together with all of the riders, schedules and other attachments thereto, collectively, the "Lease"), each between Lessor and Lessee. A Schedule of the equipment is attached hereto.

2. The Lease shall be effective as of the date hereof and shall be subject to the term specified in the Lease, and any extension of such term to the extent provided for in the Lease.

The Memorandum of Lease Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one Memorandum of Lease Agreement.

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Lease Agreement to be executed as of the date first above written.

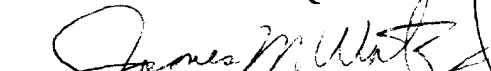
LESSEE:

NORTHSHORE MINING COMPANY

By: Name: Michael P. MinarTitle: VP/GM

LESSOR:

NATIONAL RAILWAY EQUIPMENT CO.

By: Name: James M. Wurtt, Jr.Title: Vice President

B. Neither this Lease nor any schedule shall be amended, and no provision hereof or of any Schedule shall be waived or varied unless by a writing signed by the parties.

C. No delay or omission by Lessor in exercising any right hereunder shall operate as a waiver of such right or any other right. A waiver by Lessor of any Event of Default by Lessee shall not be construed as a waiver of any future occasion.

D. In case any provision (or portions thereof) in this Lease shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions (or portions thereof) hereby shall not in any way be affected or impaired thereby.

E. This Lease shall be binding upon and inure to the benefit of Lessor and Lessee and their respective successors.

F. All notices permitted or required to be given pursuant to this Lease shall be mailed by Certified or Registered Mail, Return Receipt Requested to the parties at the following addresses or at such other addresses as each party may notify the other.

If to Lessor: National Railway Equipment Co.
14400 S. Robey
Dixmoor, Illinois 60426

If to Lessee: Northshore Mining Company
10 Outer Drive
Silver Bay, Minnesota 55614

WITNESS WHEREOF, the parties have executed this Lease the day and year first mentioned above.

LESSOR:

LESSEE:

NATIONAL RAILWAY EQUIPMENT CO.

NORTHSHORE MINING COMPANY

BY:

NAME:

James M. Wurtz, Jr.

TITLE:

Vice President

BY:

NAME:

Michael P. Mlinar

TITLE:

VP/GM

ATTEST: Robert E. Loewer, Jr.

BY:

TITLE:

Director of Finance

ATTEST:

BY:

TITLE:

Senior Buyer

(Corporate Seal)

(Corporate Seal)

SCHEDULE "A"

Attached to and incorporated into the Lease dated the 22nd day of December, 2005 by and between the National Railway Equipment Co. (LESSOR) and Northshore Mining Company (LESSEE).

Type and General Description of Locomotive Unit, Marks and Numbers:

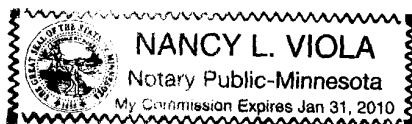
UNIT NO.	TYPE	GENERAL DESCRIPTION
NREX 3002	EMD	GP40-2 General Purpose Locomotive
NREX 3004	EMD	GP40-2 General Purpose Locomotive

STATE OF Minnesota)
COUNTY OF Lake) SS.

On this 6th day of January, 2006 before me appeared Michael Mlinar, the person who signed this instrument who acknowledged that (s) he is the VP/6M of Nobleskore Mining and that, being duly authorized, (s) he signed such instrument as a free act on behalf of said corporation.

Nancy L. Viola
Notary Public

[Seal]



My Commission Expires:

1-31-2010

STATE OF ILLINOIS)
COUNTY OF Will) SS.
Cook

On this 30 day of December, 2005, before me appeared James M. Wurtz Jr., the person who signed this instrument who acknowledged that (s) he is an officer of **NATIONAL RAILWAY EQUIPMENT CO.** and that, being duly authorized, (s) he signed such instrument as a free act on behalf of said corporation.

Robert E. Loewer, Jr.
Notary Public

[Seal]



My Commission Expires:
